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C O N F I D E N T I A L SECTION 01 OF 02 MANILA 000316

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TAGS: [PGOV](#) [PINR](#) [RP](#)  
SUBJECT: HOUSE SPEAKER OUSTED; MINDANAO REPRESENTATIVE  
TAKES OVER

Classified By: Ambassador Kristie A. Kenney, for reason 1.4 (d).

11. (C) SUMMARY. In a widely anticipated move confirming President Arroyo's political strength, a coalition of 174 pro-Administration representatives on February 4 successfully removed House Speaker Jose de Venecia, the longest-serving speaker in Philippine history, from his powerful position. An erstwhile close ally of President Arroyo, de Venecia fell victim to President Arroyo's supporters in the house after de Venecia's son accused the President's family of involvement in a national corruption scandal. Representative Prospero Nograles, from a largely Christian city in Mindanao, has assumed the speakership, but all other positions, including deputy speaker and committee chairmanships remain, at least for the time, unchanged. The change in speakers -- from one pro-Administration member to another -- is unlikely significantly to alter the legislative agenda in the House, though there may be a renewed interest in Mindanao issues. De Venecia was initially expected to obtain an ambassadorship as a consolation prize, but his strident parting remarks against President Arroyo will probably preclude that possibility. END SUMMARY.

End of an Era  
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12. (SBU) Speaker Jose de Venecia, who holds the distinction of being elected to the House Speakership for an unprecedented five terms, was removed from his position February 4. The Philippine House of Representatives -- voting 174-35, with 16 abstentions -- declared the Speaker's seat vacant and elected Davao City Rep. Prospero Nograles as the new Speaker. Under House rules, a simple majority of 121 of the total of 240 seats in the chamber is necessary to elect a Speaker. The coalition that removed de Venecia was led by President Arroyo's two sons in the House, Pampanga Representative Mikey Arroyo and Camarines Sur Representative Dato Arroyo, who hosted meetings with over 100 like-minded representatives in Quezon City, where they reached consensus to oust de Venecia.

13. (SBU) Ironically, de Venecia had been one of President Arroyo's staunchest supporters and as head of the pro-administration coalition, had actively pushed President Arroyo's legislative agenda since she took over the reins at Malacanang in 2001. De Venecia served as president of the ruling party Lakas, and President Arroyo served as its honorary chairman. At the height of the President's political crisis in 2005 and 2006 triggered by the "Hello Garci" illegal wiretapping controversy, de Venecia effectively steered his House allies to block impeachment moves against her. In exchange for his loyalty, the President consistently supported him as Speaker.

Relations Sour Over Corruption Scandal  
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14. (SBU) The close political relationship between the President and the Speaker soured when de Venecia's son, Jose "Joey" de Venecia III, made allegations linking First Gentleman Miguel Arroyo to a corruption scandal involving a botched government communications contract worth over \$300 million. The younger de Venecia testified in a Senate hearing on the matter that the First Gentleman had warned him to "back off" from bidding on the national broadband network project because the First Gentleman had a personal interest in the contract. The younger de Venecia continued to make accusations, rendering futile numerous attempts by political leaders, including former President Fidel Ramos, to keep the relationship between the Speaker and the President intact. As the ouster move against his father snowballed, the younger de Venecia was quick to point to the First Gentleman as the brains behind the ouster.

No Graceful Exit  
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15. (C) While many expected de Venecia to exit quietly, he signaled in an interview before the vote that there would be no "graceful exit" for him. In a sign of things to come, he alleged that House members were being paid P1 million (25,000 USD) to vote against him and warned the President's sons against using "government resources" to oust him or risk "another explosion of another financial scandal." Just prior to the vote that removed him from the Speakership, de Venecia was granted time to speak on the House floor. He used the opportunity to deliver an emotional hour-long speech that effectively declared war against the Administration. De Venecia stopped just short of saying he regretted supporting the President as his vice-presidential running mate in 1998, but said he had brought her into the highest levels of

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government and had shielded her from a string of impeachment attempts. He also accused the Arroyo administration of masterminding his ouster and of corruption and arrogance while in power. In response, Malacanang officials said that de Venecia "burned his bridges" and challenged him to bring his charges to the courts.

Mindanao Block Formed Nograles Base of Support  
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16. (C) Davao City Representative Prospero Nograles, one of President Arroyo's loyal lieutenants, actively lobbied for the speakership and successfully engineered his election by building a critical mass of support among his fellow Mindanao representatives. Irrespective of party, Mindanao representatives voted for Nograles, arguing that a Mindanaoan had never held the position and it was time to rectify the situation. The Mindanao block, together with the Administration's support, effectively ensured Nograles's election. Now on his fifth term, the 60-year old Nograles, a law school classmate of the First Gentleman, was first elected to the House of Representatives in 1989. He served as House majority leader from 2004-2007 and was head of the House panel in the bicameral Commission on Appointments prior to his election as Speaker. Nograles, a Christian, is reputed to have a sharp mind, as evidenced by his second-highest score on the 1971 Philippine Bar examination. He supports the global war on terror, the strengthening of U.S.-Philippine relations, and the promotion of human rights and rule of law.

What Next for De Venecia?  
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17. (C) While President Arroyo had publicly voiced her support for de Venecia, Senate President Manny Villar, who himself was ousted from the House speakership in 2000, told the Ambassador February 2 that President Arroyo was behind the ouster and was getting back at de Venecia for his son's accusations against the First Gentleman on the communications

corruption scandal. Villar said de Venecia's ouster proved yet again that President Arroyo is the "ultimate survivor and politician," and sent a clear warning to Congress on the need to work with the Administration. Villar said de Venecia's wife had urged her husband to exit quietly, but he was reluctant to leave without a vote, believing that representatives should take a stand publicly and vote accordingly.

Comment

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18. (C) In supporting de Venecia's ouster, President Arroyo sent a very clear message to the rest of the Congress that there will be grave consequences for failure to cooperate with Malacanang. More importantly, President Arroyo demonstrated she still holds sway over the 200 pro-Administration House members, and anyone seeking the Presidency in 2010 will need her imprimatur. The change in leadership has brought expectations of reform, particularly with regard to transparency, an element missing under de Venecia's stewardship. However, at least legislatively, de Venecia's departure is unlikely to have much of an impact as it amounts to an even trade: one pro-Administration speaker will replace another. However, Nograles's election could result in a growing emphasis on Mindanao issues, which often get lost in the Manila-centric Congress. De Venecia's future job prospects appear dim. While many expected he would finish his career with a significant ambassadorial post, his impassioned exit may have destroyed that possibility.

KENNEY